VIRGINIA: A SCHEDULED MEETING OF THE SURRY COUNTY BOARD OF SUPERVISORS HELD IN THE GENERAL DISTRICT COURTROOM OF THE SURRY COUNTY GOVERNMENT CENTER ON THURSDAY, APRIL 10, 2025 AT 6:00 PM.

PRESENT: SUPERVISOR ROBERT ELLIOTT, JR., CHAIRMAN
SUPERVISOR BREYON PIERCE, VICE-CHAIR
SUPERVISOR WILLIAM T. CALHOUN
SUPERVISOR WALTER HARDY
STUDENT REPRESENTATIVE ZARIAH HARRELL

ABSENT: SUPERVISOR AMY DREWRY

ALSO PRESENT: MS. MELISSA ROLLINS, COUNTY ADMINISTRATOR
MS. LOLA PERKINS, COUNTY ATTORNEY

Call to Order/Moment of Silence/Pledge of Allegiance/ Adopt Agenda

The meeting was called to order by Chairperson Elliott, who then asked for a moment of silence. Following the moment of silence, he asked those present to stand and recite the pledge of allegiance. Chairman Elliott asked for Motion to accept the agenda. Supervisor Hardy made a motion to accept the agenda and Supervisor Calhoun seconded the motion. All present voted affirmatively. ***(Approved)***

SUPERVISOR ROBERT ELLIOTT, JR.	**AYE**
SUPERVISOR BREYON PIERCE	**AYE**
SUPERVISOR WILLIAM (TIM) CALHOUN	**AYE**
SUPERVISOR WALTER HARDY	**AYE**
SUPERVISOR AMY DREWRY	**ABSENT**

Presentations

1. FY 2025-26 Proposed Operating and Capital Improvement Budget – Ms. Melissa Rollins, County Administrator, presented the recommended budget for FY 2025-26.

Public Hearings

1. Proposed Tax Rate Increase Notice : The Board of Supervisors held a public hearing on the proposed real estate tax rate increase and setting of the proposed personal property tax rate.

I. Call to Order
II. Presentation by Staff- Ms. Perkins read the rules of procedure for citizen comment.
III. Open the Floor for Public Comments - Chairman Elliot opened the public hearing.
IV. Public Comment Period
   1. Susan Corvello, Claremont District – requested the County reduce the personal property taxes and provide the public with more time to review the budget prior to approval

2. Brian Agor, Surry District – concerns regarding increased real estate reassessments and requested the County to provide the public with more time to review the budget prior to approval

V. Public Comments Closed – Chairman Elliott closed the public hearing.

VI. Closing Remarks by Staff – Ms. Rollins stated that staff was requesting the Board to consider the property tax rate in order to permit the Commissioner and Treasurer to proceed with the required rate for the June billing period.

VII. Board Comments –
Supervisor Calhoun made a motion to postpone the decision on the real estate property tax rate until the May 8, 2025 special meeting in order to give the public more time to review the recommended budget. The motion failed due to lack of a second.
Supervisor Pierce commended Ms. Rollins on presenting this year's proposed budget.

Board Action: Chairman Elliott asked for motion on the personal property tax rate and the real estate tax rate.
Supervisor Hardy moved to set this year's personal property tax rate at $3.75 and real estate tax rate at $0.71, and seconded by Supervisor Pierce.
Vote: 3:1 (Approved)
Ayes: Mr. Pierce, Mr. Hardy, Mr. Elliott
Nays: Mr. Calhoun
Absent: Ms. Drewry

Adjournment
Chairman Elliott asked for a motion for adjournment to May 1 at 6:00 p.m.
Supervisor Pierce moved, and Supervisor Hardy seconded.
Vote: 4:0 (Approved):
Ayes: Mr. Pierce, Mr. Hardy, Mr. Calhoun, Mr. Elliott
Nays: None
Absent: Ms. Drewry

The meeting adjourned at 7:30 p.m.
This meeting can be viewed in its entirety through the Surry County Government Website:
https://www.surrycountyva.gov/387/Watch-A-Meeting

A copy of the budget presentation is attached as an integral part of the minutes.

Fiscal Year 2025-2026

April 10, 2025

County Administrator's Proposed Budget

Message

The proposed budget I bring forth tonight incorporates the Board's direction as incorporated in the County's current strategic priorities along with the needs of County residents and County employees.

Much of what you are about to see is focused on the financial side of County government, but make no mistake, the County's annual budget is a significant policy document.

It determines our priorities going forward and ultimately decides what initiatives staff will be charged with completing

I acknowledge the effort of all the County staff who have assisted me in bringing forth a balanced budget for you to consider.

Particularly members of the County's leadership team and heads of County supported agencies, who have explained and quantified their organizations' needs, the Commissioner of Revenue and the Finance Department, who have invested significant time in preparing the various schedules and forecasts necessary for the Board to make informed decisions.

Budget Prep Sessions – Gathering Board Input

October 23, 2024- Pre-Budget of Supervisors Work session

CIP status

Indicators of Financial Strength

Tax Relief for Elderly Changes

Dept. Initiatives

→

December 2024 – Joint Work session with School Board

→

January/February 2025 – Budget Meetings with Finance/Budget Meetings with County Administrator/Finance

↓

January 15, 2024 – Board of Supervisors Update on Real Estate Reassessment

→

Feb 24-25, 2025 – Budget Sessions/ Depts & Board of Supervisors

CIP Requests

→

March 5th Work session

Tax Rate Input

Lowered vs Proposed

FY26 Budget Overview

Challenges

- Elevated levels of inflation significantly impacting the cost of business
- Meeting citizen and customer service demands while also minimizing the financial impact of real estate reassessment on citizens
- State budget, which impacts funding to schools and constitutional offices
- Health Insurance Cost Increases
- Unfunded state mandates
- Impact of federal tariffs, reduced grants and other federal policies
- A Growing Community
- Composite Index inequity (.80)

Strategies

- Attract industries that can contribute to shifting the burden from residents to business community
- Balancing needs in all functional areas to include education and public safety needs, while striving to improve or maintain service levels in these areas
- Revenue Enhancements where feasible (future options - lodging tax; FY 26 planning related and EMS transport fees)
- Implement policies to reduce the tax burden and provide added tax relief.
- Shifting resources to meet most critical needs
- Advocating at the state for resources for education (i.e. Lower Composite Index)

- ❑ The recent limited scope real estate reassessment will be reflected in the FY26 budget.

COUNTY of SURRY VIRGINIA 1652

Budget Goals

Maintain a real estate tax rate that meets the needs countywide and to plan for future investments (current real estate tax rate at $0.71).

Consideration of other policy options that will provide tax- payer relief

This follows policy changes implemented to relieve the December tax burden of paying both real estate and personal property and increased provisions for elderly tax relief

Align resources (funding and staff) with strategic initiatives

Create operational synergy and address program redundancy

Enhance funding support to EDA

Provide state-required pay increases for Compensation Board funded Constitutional Office and state supported employees.

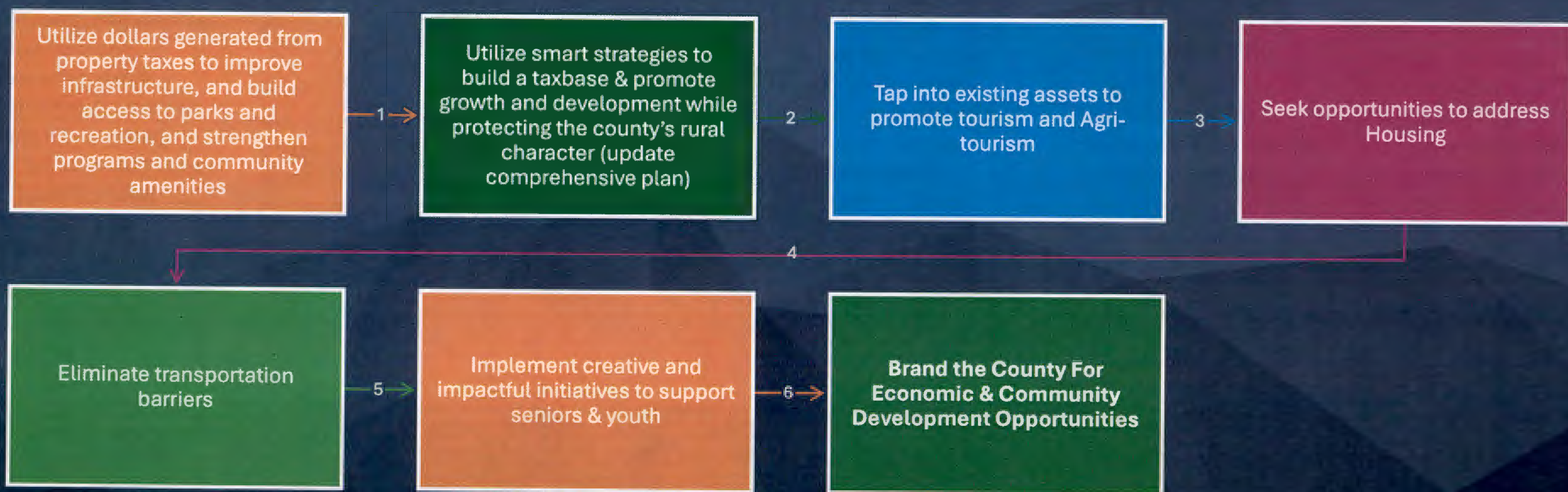
Provide equity amongst employees for a 3.0% COLA.

Utilize revenue from one-time sources for capital improvement initiatives

Fund the revenue stabilization fund to accommodate fluctuations (losses in revenue)

Continue support of Education to provide improved teacher compensation, albeit minimum state funding

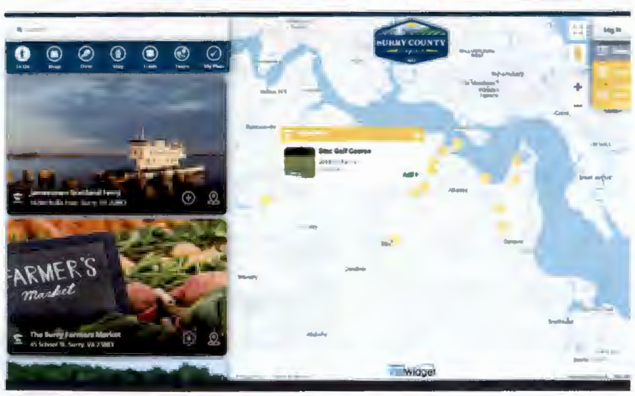
2024 Strategic Planning Exercise




First Friday's
ON THE LAWN
SURRY COUNTY · VIRGINIA
FREE
CONCERT SERIES
Surry County Pavilion Lawn
45 School Str. Surry, VA


Bring your own lawn chairs!
&
ADMISSION FREE
Blooms
SATURDAY
April 26, 2025
3 PM - 7 PM
SURRY COUNTY PAVILION


Leave Bowlero 2:00PM
Return 3:30PM-Government Center- Oleta Bus Line
Surry Youth Life Kickoff

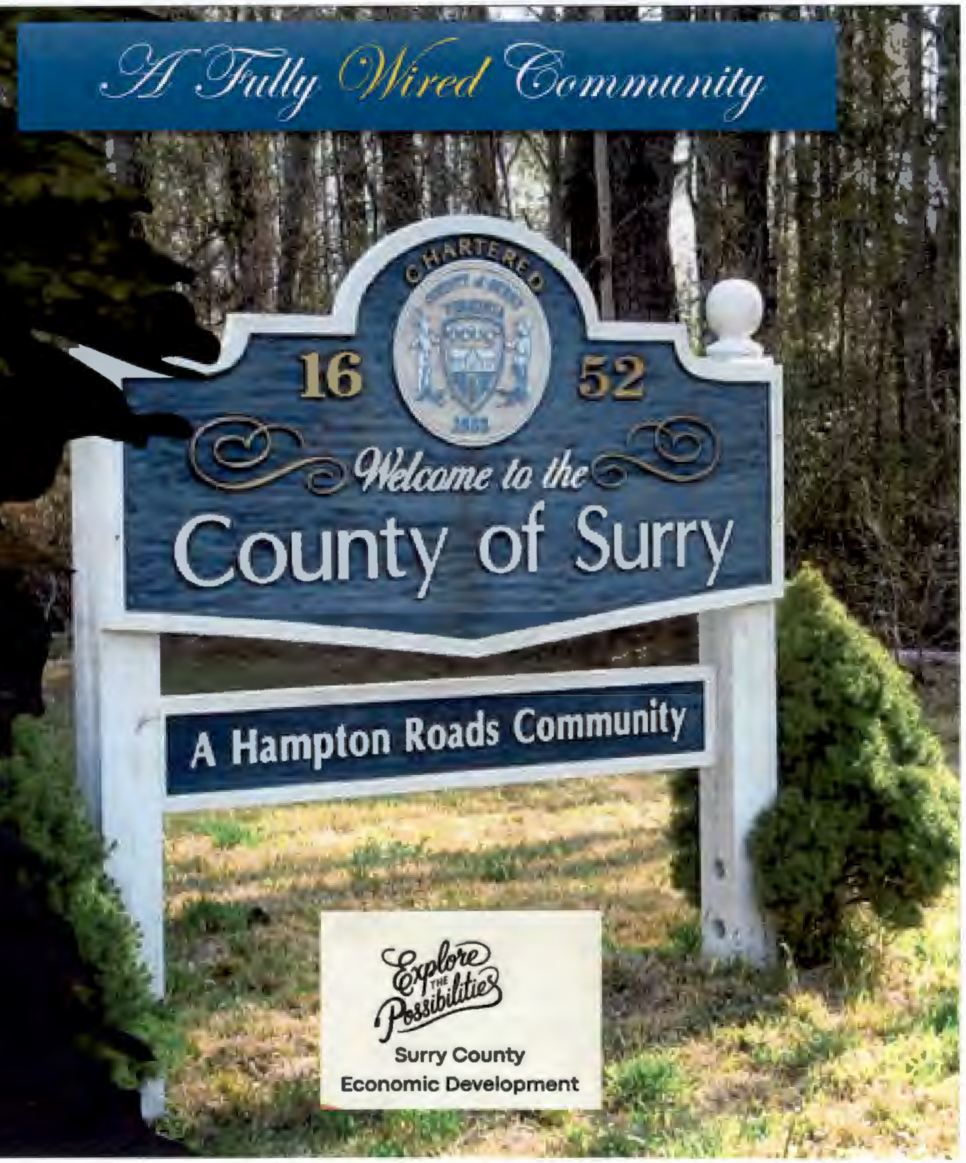

SURRY COUNTY
FARMER'S Market


SURRY Marketplace


JUNE 13
NORFOLK ZOO
3500 Granby St, Norfolk, VA 23504
JUNE 20
SURGE ADVENTURE PARK
14346 Warwick Blvd., Newport News, VA 23602
JUNE 27
HAMPTON AQUAPLEX
1908 Coliseum Dr, Hampton, VA 23666

Highlights & Accomplishments

- Completed Upgrades to all solid waste sites
- Short Term Rental Committee advanced
- Policy Changes providing tax relief to citizens
- LOVE Sign Project
- Agri-Tourism App – Driving Citizens and Visitors to Pop-Up Markets
- Enhanced 55+ Initiatives
- Implemented Youth Life Program
- First Friday Concert Series (May 2025)
- Surry County Tourism promotion
- YMCA Market Study Completed – LOI executed
- Attended County Government Day - Advocated for alternative transportation assess across the James River and a lower composite index
- Approved Zoning Ordinance Amendment permitting Battery Storage Facilities
- First BOS Annual Recognition Program for Veterans
- Community spirited events amplified: 4th of July Fireworks, National Night Out, Spring Festival, Trunk O Treat, Christmas Tree Lighting
- Opening of Surry Marketplace & Morelia's Mexican Restaurant
- Support Granted for Renovations to Lebanon Village Apartments
- Recognized Seniors Reaching the Age of 90+ and Lady Cougars Championship
- Appointed First student representative to the Board of Supervisors



FY 25 BUDGET – Policy Implications and Considerations

- Continue to build revenue stabilization fund
- Provide ongoing revenue to fund capital needs that arise every year, but which are not candidates for funding with debt
- Ensure that ongoing costs are paid with ongoing revenue
- Frequency of reassessment
- Lodging Tax & Other Revenue Diversification Strategies
- Consider twice a year tax billing
- Explore Emergency Medical Response Services options
- Review/discuss disposal contract and impact of Tipping fees
- Continue discussions on school facilities

Budget Outlook
Impact of Revenue Neutral

- Given the need to plan for growth, rising costs, and state mandates—along with the essential roles of Public Safety and Education—any revenue-neutral reductions in FY26 funding will increase the challenge of meeting both current and future service demands.

- The functions of General and Judicial Administration, Public Works, Health and Welfare, Recreation, and Community Development play a vital role in enhancing the quality of life for both residents and businesses in the county. These services are essential for the smooth operation of local government and contribute to creating a safe, healthy, and vibrant community. They not only meet the everyday needs of residents but also support economic growth, improve public health, and foster overall well-being. By focusing on strategic planning and effective delivery, these functions help ensure the county remains an attractive and thriving place to live, work, and invest.

- A reduction in funding for services and resources in these areas, when starting from a revenue-neutral position, often leads to operational challenges. The County must still meet the demand for high-quality services, fund unfunded state mandates, offer programs and amenities, and maintain aging infrastructure. Additionally, fluctuating funding makes it difficult to plan effectively for future needs.

Effective Lowered Tax Rate

$.65 per $100 of assessed value

Budget Basis = $0.71 cents

Each one cent on the real estate tax rate = $384,000

COUNTY of SURRY VIRGINIA 1652

Why A Reassessment in 2025?

Several localities in Virginia, including Surry, have a significant amount of public utility infrastructure (such as telecom and electrical systems), as well as rail and pipeline assets. The assessment of these assets is managed by state agencies and follows the same relationship to market value as locally assessed real property. During periods of rising real estate prices, assessments certified by the County's assessor often lag behind market value. As a result, the assessments of public utilities, rail, and pipeline assets are also impacted by this downward trend, leading to a reduction in real estate tax revenue from these property types.

Given that Surry's assessments have consistently fallen below market value for the past two years, it has become necessary, both fiscally and practically, to reassess these assets.

To illustrate the importance, failing to conduct this limited-scope reassessment would result in a significant decrease in the County's public service corporation revenue. This would mean millions of dollars in lost funds, impacting the County's ability to provide essential goods and services to the community, support education, and maintain internal and external organizational functions.

Financial Implications:

Tax Year 2024: The sales assessment ratio was 97%, leading to a revenue reduction of $422,000. This shortfall meant the County could not provide an additional $340,000 in revenue to the School Division from ongoing tax revenue.

Tax Year 2025: The sales assessment ratio was trending at 88%. The resulting revenue loss was much more significant, estimated at $2.0 million, which would have had a far greater impact on the County's budget.

Real Estate Tax Rate Comparison

Locality		Rate
Williamsburg	$	0.62
Isle of Wight	$	0.73
York - proposed	**$**	**0.78**
James City	$	0.83
Suffolk	$	1.07
Poquoson	$	1.14
Hampton	$	1.15
Newport News	$	1.18

Prince George	$0.82	not the equalized rate of $0.73	
Dinwiddie	$0.65	not the equalized rate of $0.56	
Sussex	$0.53	Personal Property $4.85, M & T = $2.43	

- A full reassessment was conducted in 2016 and in 2022 as the sales to assessment ratios were stable and remained close to 100%.
- Limited scope reassessments were conducted in 2023 and 2025 as the sales to assessment ratios fell below 90%, resulting in a loss of public service revenue
  - 2024 – Tax Rate Impact of 97.4% ratio - $422,000 (loss)
  - 2023 & 2025 – Projected Tax Rate Impact of projected ratio of 88% - $3.2 million (loss) or more.
- Next Full Assessment – (Six Years) Effective for Tax Year 2028 (FY 26-27 budget)

Tax Rate & Assessment History

Year	Rate	Ratio (SCC-Final)	Reassessment
2005	0.77	95.40%	Partial
2006	0.84	74.90%	no
2007	0.70	99.90%	Partial
2008	0.70	98.80%	Partial
2009	0.70	98.80%	Partial
2010	0.73	100.00%	Six Year Full
2011	0.73	100.00%	no
2012	0.73	100.00%	no
2013	0.73	100.00%	no
2014	0.73	100.00%	no
2015	0.73	100.00%	no
2016	0.71	100.00%	Six Year Full
2017	0.71	100.00%	no
2018	0.71	100.00%	no
2019	0.71	98.90%	no
2020	0.71	99.00%	no
2021	0.77	95.10%	no
2022	0.72	100.00%	Six Year Full
2023	0.71	100.00%	Partial
2024	0.71	97.44%	no
2025	0.71	100.00%	Partial

Tax Relief for Elderly & Veterans Discounts

BOS decisions over time to provide additional tax relief to the elderly citizens who qualify

Year	# Elderly & Disabled Discounts	Elderly/Disabled Discount	# Disabled Veterans Discounts	Disabled Veterans Discount	# MH Discounts	MH Discount	Total # Discounts	Total Discounts	Comments
2021	75	$ 45,756.26	39	$ 75,075.85	5	$ 395.01	119	$ 121,227.12	max disc $1,000
2022	82	$ 61,728.88	42	$ 94,299.84	7	$ 407.52	131	$ 156,436.24	max disc $1,000- no proportional deduction
2023	83	$ 66,459.53	55	$ 123,416.46	6	$ 427.42	144	$ 190,303.41	income level raised to $45,000; net worth $125,000
2024	78	$ 63,838.21	61	$ 138,224.93	6	$ 413.22	145	$ 202,063.14	no change

Estimated relief for 2025 combined = $225,000 with additional applications expected

Comments: The total combined income limit was raised to $55K and the net worth limit was changed to not to exceed $150,000.

Approximately 58% of a penny that is no longer a part of the County's tax base. This has nearly doubled since 2021.

Budget Basis – Penny on Current Tax Rate

Tax Type	Current Rate	Estimate Revenue Per Penny	Percent of Total	Basis of Value
Real Estate-Residential	**$0.71**	$132,406	34.0%	One cent
Real Estate-Public Service	**$0.71**	$251,603	66.0%	One cent
TOTAL		**$384,009**	**100.0%**	

Proposed Property Tax Rates

Personal Property & Business Property assessed value (no change)	$4.00/$100 of
Passenger Buses assessed value (no change)	$3.00/$100 of
Machinery & Tools assessed value (no change)	$1.00/$100 of
Contract Carriers assessed value (no change)	$1.00/$100 of
Merchants Capital assessed value (no change)	$0.00/$100 of
Farm Machinery & Tools (no change)	$0.00/$100 of assessed value

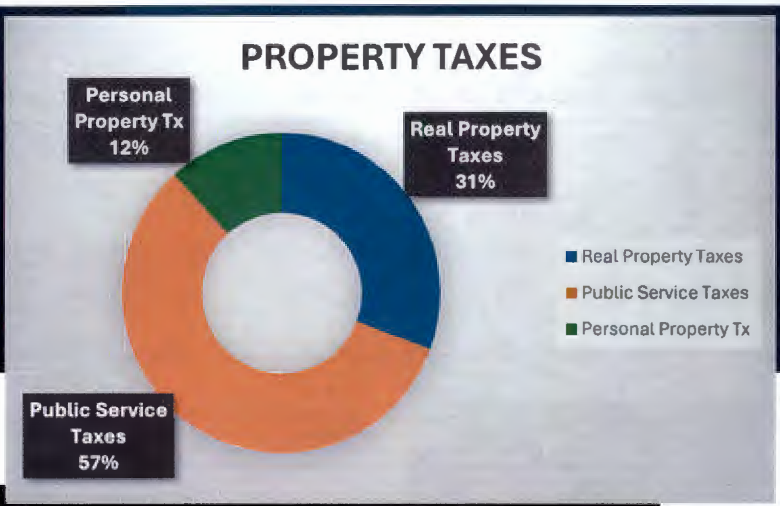
TAX RELIEF FOR QUALIFYING MOTOR VEHICLES: The tax relief rate is currently at 31%. The proposed calendar year tax 2025 Tax Relief Rate is proposed to remain the same at 31% at a rate of $4.00.

Major Revenue Drivers

Source	Revnue Drivers	Explanation
Public Service	$ 2,018,578.00	Limited Scope Reassessment Impact and New Construction, sales ratio 100%
Personal Propoerty	$ 1,110,102.00	One Time Influx for Billing Change of Personal Property
Real Estate Taxes	$ 972,000.00	Limited Scope Reassessment
Local Sales Taxes	$ 400,000.00	Reflect historical projections while being conservative due to economy
Compensation Board	$ 85,280.00	State mandated 3% increase for state supported employees and 9.3% for communication officers
Ambulance Billing	$ 75,000.00	Reflects historical projection and recent fee increases
Shared Services - Inspections	$ 60,000.00	Realignment of position; 50% shared services costs for Sussex
Business Licenses	$ 15,000.00	Reflects current license projections
Permits, Fees & Fines	$ 11,275.00	Proposed increase in planning fees
Rent	$ (11,138.00)	Correction from current fiscal year; no rent
Marina Fuel Sales	$ (25,000.00)	Historical data
Categorial Aid Grants	$ (6,762.00)	Victim Witness and Radiological Grant changes
Solar Permit Fee	$ (228,300.00)	One Time Received last fiscal year
Use of Fund Balance	$ (340,000.00)	One Time Use for School Transfer
Total	$ 4,136,035.00	

Real Property Tax Components

Corrected slide totals



	FY 25 Budget	FY 26 Budget	Change	%
Real Property Taxes	$ 8,568,000	$ 9,590,000	$ 1,022,000	11.9%
Public Service Taxes	$ 15,845,275	$ 17,863,853	$ 2,018,578	12.7%
Personal Property Tx	$ 2,446,000	$ 2,439,767	$ (6,233)	.25%
One time revenue- June 5th collection of Personal property tax	$ -0-	$ 1,110,102	$ 1,110,102	100%
TOTAL PROPERTY TAXES (Except P & I)	$ 26,859,275	$ 31,003,722	$ 4,144,447	15.4%

Local Revenue by Category Comparison

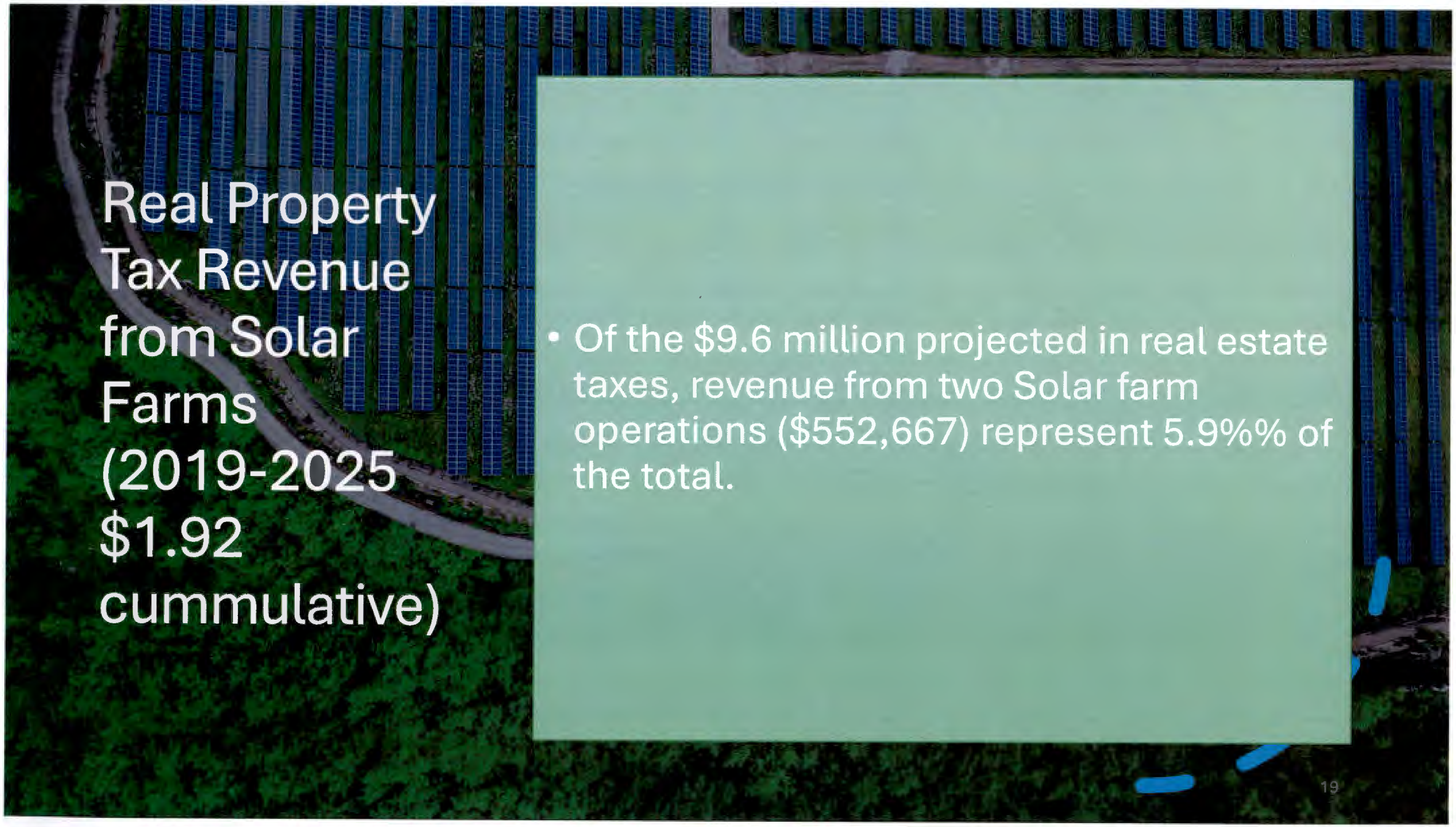
Local Revenue Category	FY25 Budget	FY26 Budget	Increase/ (Decrease)	% Increase/ (Decrease)
Real Property Taxes	$ 8,568,000	$ 9,590,000	$ 1,022,000	11.9%
Public Service Corporations	15,845,275	17,863,853	2,018,578	12.7%
Personal Property Taxes	2,446,000	2,439,767	(6,233)	-.27%
Personal Property (One Time Influx)	0	1,110,102	1,110,102	100%
Penalties and Interest	90,000	90,000	0	0%
Other Local Taxes (slide)	1,272,000	1,687,000	415,000	32.6%
Permits, Privilege Fees, Licenses	153,700	164,975	11,275	7.3%
Revenue - Use of Money	463,187	452,049	(11,138)	-2.4%
Charges for Services	87,900	87,300	(600)	-0.7%
Miscellaneous: Ambulance, Siting Agreement, Marina fees, solar permit fee (FY 25/one-time)	851,300	698,600	(152,700)	-17.9%
Recovered Costs	121,400	181,400	60,000	49.4%
Total Local Revenue	**$ 29,898,762**	**$ 34,365,046**	**$ 4,466,284**	**14.9%**

The largest anticipated dollar increase is for Real Property and Public Service Taxes due to the real estate reassessment that was just completed.

Another significant percentage increase is in sales taxes to reflect a historical pattern of revenue.

One time revenue from June tax billing to reserve.

Siting agreement revenue $262,000.


Real Property Tax Revenue from Solar Farms (2019-2025 $1.92 cummulative)
• Of the $9.6 million projected in real estate taxes, revenue from two Solar farm operations ($552,667) represent 5.9%% of the total.
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Other Local Tax Components

	FY 25 Budget	FY 26 Budget	Change	%
Local Sales & Use Tx	$750,000	$1,150,000	$400,000	53.3%
Recordation & Wills	$70,000	$70,000	-	0.00%
Business License Tax	$150,000	$165,000	$15,000	10.0%
Franchise License Tx	$20,000	$20,000	-	0.00%
Motor Vehicle Tax	$127,000	$127,000	-	0.00%
Meals Tax	$155,000	$155,000	-	0.00%
OTHER LOCAL TAXES	**$1,272,000**	**$1,687,000**	**$ 415,000**	**32.6%**

State Revenue Category Comparison

State Revenue Category	FY25 Budget	FY26 Budget	Increase/ (Decrease)	% Increase/ (Decrease)
Non-Categorical Aid	$ 732,907	$ 732,907	$ 0	0%
Shared Services*	1,423,232	1,508,512	85,280	5.99%
Categorical Aid	190,785	184,023	(6,762)	-.3.54%
Total state revenue	**$ 2,346.924**	**$ 2,425,422**	**$ 78,518**	**3.35%**

Non-Categorical Aid primarily consists of the State personal property tax relief which has been $677,000 annually.

Shared services represent funding from the state comp board for constitutional offices and registrar.

Categorical Aid consists of ongoing state grants

General Fund Revenue = $36.79 mil

	FY 25 Budget	FY 26 Budget	Change	%
Real Property Taxes	$ 8,568,000	$ 9,590,000	$ 1,022,000	11.9%
Public Service Taxes	$ 15,845,275	$ 17,863,853	$ 2,018,578	12.7%
Personal Property Tx	$ 2,536,000	$ 3,639,869	$ 1,103,869	43.5%
Other Local Taxes	$ 1,272,000	$ 1,687,000	$ 415,000	32.6%
Other Local Sources	$ 2,017,487	$ 1,584,324	$ (433,163)	-21.5%
State Revenue Sources	$ 2,346,924	$ 2,425,442	$ 78,518	3.3%
TOTAL GENERAL FUND	$ 32,585,686	$ 36,790,488	$ 4,204,802	12.9%

FY26 General Fund Expenditure Categories

General Government Administration

Elected officials and the functional business offices that support the overall mission of the County

Judicial Administration

Courts and related offices that carry out judicial processes

Public Works

Operations of waste management and maintenance support for County Infrastructure

Public Safety

Emergency Services, Sheriff, fire and rescue services that ensure the protection and well-being of community

Parks & Recreation

Recreational programs and facilities, as well as support for cultural organizations and endeavors

Community & Economic Development

Planning, economic development tourism, and support for organizations that serve to improve growth opportunities and the qualify of life for the County

Non-Departmental

Debt Service, capital improvement and other programs that impact the County overall

COUNTY of SURRY
VIRGINIA
1652

Revenue Savings- $2.18 mil

- Revenue Stabilization Fund
- $ 1,071,343
- Reinstate funding to mitigate sudden revenue losses
- Reserve One Time Revenue for Future CIP
- $ 1,110,102
- One Time generated revenue from June Personal Property Tax Billing

Major Expenditure Drivers Cont.

Debt Service Fund	$ 11,353.00	Required payments
Stipends Increase -Boards and Commissions	$ 9,000.00	Recommended Stipend increases
Fire Department Contributions	$ 8,000.00	Increase to annual contribution to $57K each
Health Department	$ 6,291.00	Requested increase (not fully funded in prior year)
Postage Services	$ 6,000.00	Registrar and Treasurer
Riverside Criminal Justice Authority	$ (9,435.00)	Surry Contribution decreased
District Court - FT Position to Part-Time	$ (25,000.00)	Continue to seek funding from the State for FT Position
ED Advertising	$ (26,000.00)	Reduced costs
Solid Waste FT Salaries	$ (30,178.00)	Right size FT Salaries
Transfer to CSA Fund	$ (35,000.00)	Addidtional state funding
Tourism Position Eliminated - Funded	$ (43,900.00)	Agritourism App implemented - Market Manager eliminated
Eliminate Contractual Service For HR	$ (50,000.00)	FY 25 funded contractual services
Solid Waste PT Salaries	$ (50,226.00)	Right size PT Salaries - sustability in hiring
Various Other reductions	$ (73,000.00)	Across All Depts.
FT Finance Director Position Not Funded	$ (187,710.00)	Remove FT position
	$ 4,184,816.00	

Expenditure by Category Comparison

Expenditure Category	FY25 Budget	FY26 Budget	Increase/ (Decrease)	% Increase/ (Decrease)
General Government	3,996,195	4,696,843	700,648	17.5%
Judicial Administration	904,003	927,995	23,992	2.7%
Public Safety	5,275,474	5,698,224	422,750	8.0%
Public Works	1,722,704	1,747,616	24,912	1.4%
Planning & Community Dev	1,825,830	1,794,665	(31,165)	-1.7%
Parks, Recreation & Culture	706,095	924,696	218,601	30.9%
Other Agencies	357,874	383,452	25,578	7.1%
GF Operating Costs	14,788,175	$16,173,480	1,385,305	9.4%
Revenue Stabilization Fund	0	1,071,343	1,071,343	N/A%
Transfer to Other Funds (slide)	17,797,511	19,545,666	1,748,155	10.0%
Total Expenditures	**$32,585,686**	**$ 36,790,488**	**$ 4,204,802**	**12.9%**

Public safety represents the largest area of expenditures followed by General government administration.

FY 26 Proposed Expenditures – All Funds

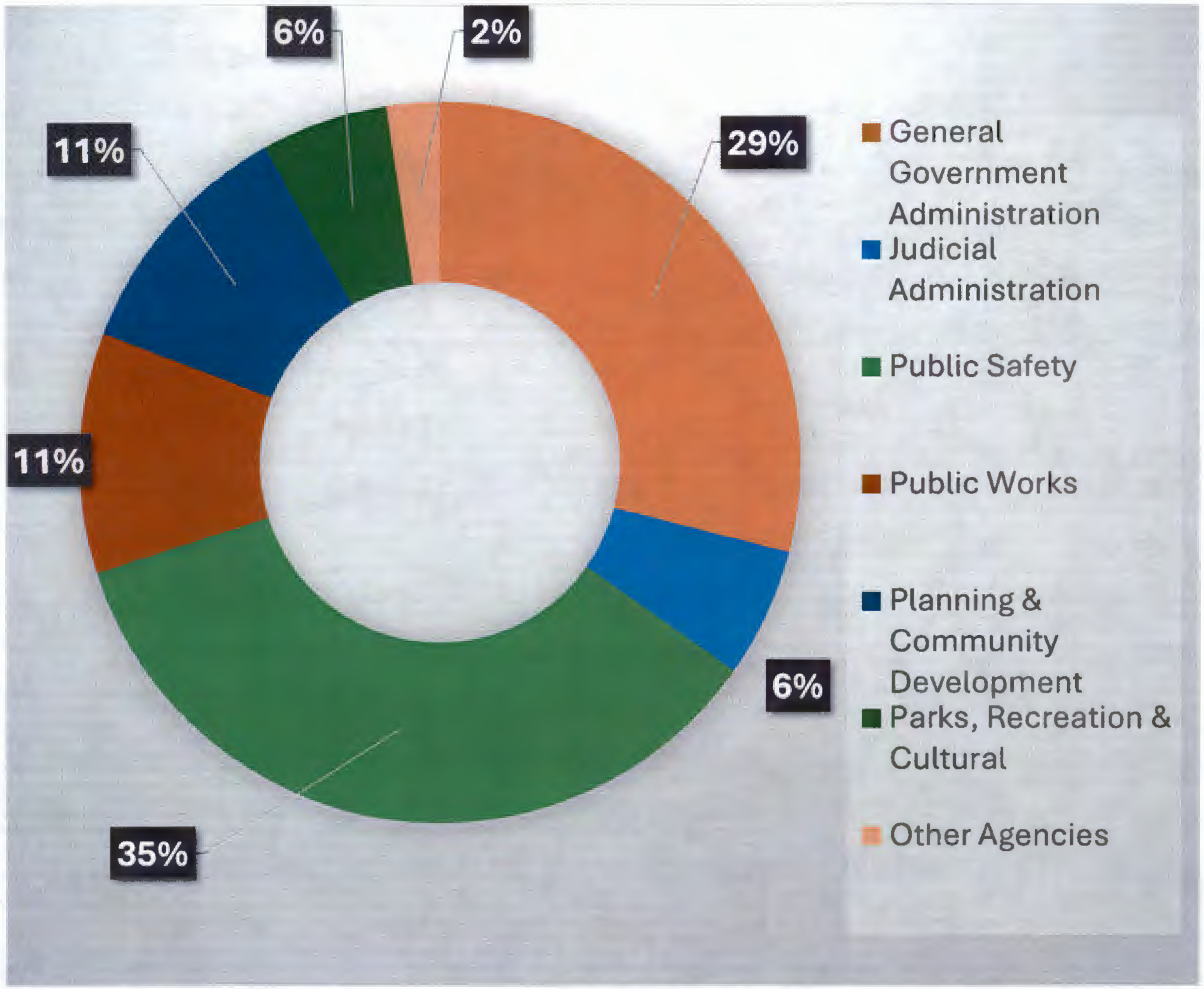
Fund	FY 25 Budget	FY 26 Budget	Variance $	Variance %
General Fund	$ **32,585,686**	$ **36,790,488**	$4,204,802	12.9%
Other Funds:				
CIP Fund	$ **14,199,052**	$ **1,400,964**	($12,798,088)	-90.1%
VPA	1,967,022	1,986,526	$19,504	1.0%
CSA	666,665	577,772	($88,893)	-13.3%
Task Force	25,000	25,000	$0	0.0%
Special Welfare	40,973	50,800	$9,827	24.0%
Agency on Aging	32,288	50,504	$18,216	56.4%
Economic Development	80,000	127,667	$47,667	59.6%
Debt Service	2,295,026	2,305,167	$10,141	0.4%
Water &Sewer	92,640	100,000	$7,360	7.9%
School Operating Fund	17,599,621	18,391,046	$791,425	4.5%
School Cafeteria	625,980	638,031	$12,051	1.9%
Total Other Funds	$ **37,624,267**	$ **25,653,477**	($11,970,790)	-31.8%
Total All Funds	$ **70,209,953**	$ **62,443,965**	$ **(7,765,988)**	**-11.1%**

Transfer to Funds

Fund	FY 25 Budget	FY 26 Budget		Variance	
Capital Improvement	$ 1,254,300	$ 1,400,964		$ 146,664	11.7%
Reserve for One Time PP Tax Revenue	$ -	$ 1,110,102		$ 1,110,102	N/A%
Social Services Fund	$ 475,000	$ 475,000		$ -	0%
Comprehensive Services	$ 265,000	$ 235,000		$ (30,000)	-13.2%
School Fund	$ 13,407,757	$ 13,855,756		$ 448,009	3.3%
Economic Development Authority	$ 80,000	$ 127,667		$ 47,667	60.0%
Debt Service	$ 2,274,814	$ 2,286,167		$ 11,353	0.5%
Water & Sewer	$ 40,640	$ 60,000		$ 19,360	48%
Total Transfers Out	$ 17,797,511	$ 19,545,666		$ 1,748,155	9.8%

General Fund Operating Expenditures $16.18

(Excludes transfers to other funds & reserves)
Personnel Cost =55%



FY 26 BUDGET –
& Beyond Policy Implications and Considerations

Paid/Volunteer Fire Depts and services

Timing of

Facility Needs Assessment

Schools-Additional Support Request $736K

Plus CIP Needs

Cost for Government Operations (Human Services, Public Safety, Other Functions)

CIP Needs

Economic Development and Correlation to CIP

Increased Support to Economic Development Authority (EDA)

General Fund Employee Count by Department

	FY 26	FY 25	Change
ADMINISTRATION	**3**	**5**	**-2**
COUNTY ATTORNEY	2	2	0
INFORMATION TECH & SUPPORT SERVICES	4.5	4.5	0
HUMAN RESOURCES	2	1	1
DISTRICT COURT CLERK	0.5	1	0
TREASURER	4	4	0
COMMISSIONER OF THE REVENUE	3.25	3.25	0
FINANCE	3	4	-1
REGISTRAR	2	2	0
CLERK OF CIRCUIT COURT	4	4	0
COMMONWEALTH ATTORNEY	3.5	3.5	0
SHERIFF DEPT.	30.25	30.25	0
BUILDING INSPECTIONS	4	3	1
ANIMAL CONTROL	3	3	0
EMERGENCY MANAGEMENT	2.25	2.25	0
MAINTENANCE	3.5	3.5	0
SOLID WASTE	10.5	10.5	0
YOUTH AND FAMILY RESOURCES	0	2	-2
ECONOMIC DEVELOPMENT	1.5	3.5	-2
TOURISM	1.5	1.5	0
PARKS AND RECREATION	5.75	3.75	2
PLANNING AND COMMUNITY DEVELOPMENT	6.5	5	1.5
TOTAL	**100.5**	**102.5**	**-1.5**

Outside Agency Support

Account Description	2026 Request	2025 Revised Budget	Recommended	Variance Over 25	
District 19 CSB	$112,327	$91,303	$112,327	$21,024	23%
Riverside Crim Justice Agency	$14,815	$24,250	$14,815	($9,435)	-39%
Dendron Volunteer Fire Department	$60,000	$55,000	$57,000	$2,000	4%
Claremont Volunteer Fire Department	$60,000	$55,000	$57,000	$2,000	4%
Surry Volunteer Fire Department	$60,000	$53,000	$57,000	$4,000	8%
Genieve Shelter*	$5,000	$2,500	$0	($2,500)	-100%
Longwood Unv Small Bus Dev Ctr*	$2,500	$2,500	$2,500	$0	0%
Virginia Gateway Region	$46,312	$23,156	$0	($23,156)	-100%
Regional HR Alliance			$18,000	$18,000	100%
Virginia Historical Society*	$1,000	$1,000	$1,000	$0	0%
African American Heritage*	$1,000	$1,000	$1,000	$0	0%
Brightpoint Community College*	$1,316	$1,303	$1,316	$13	1%
Surry Health Department	$215,955	$209,664	$215,955	$6,291	3%
Blackwater Regional Library	$160,594	$157,440	$160,594	$3,154	2%
The Improvement Association	$50,604	$50,604	$50,604	$0	0%
Peanut, Soil & Water	$12,000	$12,000	$12,000	$0	0%
Hampton Roads PDC	$11,084	$10,576	$11,084	$508	5%
Crater PDC	$14,265	$14,265	$14,265	$0	0%
Southeast 4H Educational Cent *	$5,000	$2,000	$2,000	$0	0%
Central Virginia Leagal Aid Society	$1,000	$0	$0	$0	0%
Virginia State University*	$2,500	$2,500	$1,250	($1,250)	-50%
Hampton Raods Federal Military Alliance (HRFMA)	$3,262	$3,285	$3,262	($23)	-1%
Department of Forestry	$12,600	$12,557	$12,600	$43	0%
Adult Incarceration	$257,167	$231,356	$257,167	$25,811	11%
Juvenile Detention	$39,000	$38,857	$39,000	$143	0%
Chowan River Basis*	$13,440	$0	$0	$0	0%
HRPDC-HRMMRS	$1,305	$1,298	$1,305	$7	1%
*Voluntary Support - Not tied to state funds or regional program	**$1,164,046**	**$1,056,414**	**$1,103,044**	**$46,630**	
	Amount Requested	$1,164,046.00			
	Amount Recommended	$1,103,044.00			
	Variance	$61,002.00			

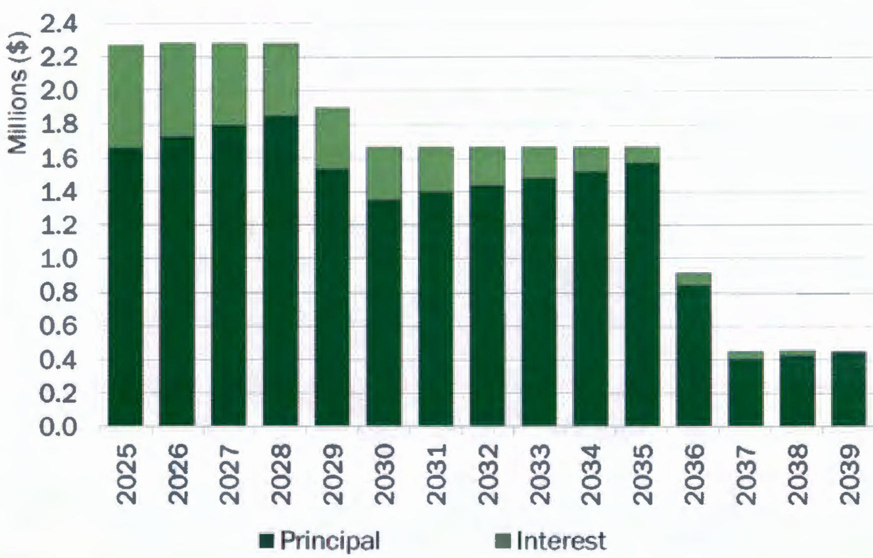
Areas Not Recommended for Funding

- Salary supplement request beyond 3.0% – Commissioner of the Revenue and Clerk of Court for employees
- New Position – Sheriff – Full Time Courthouse Security officer
- New Position – Treasurer – Clerk

Debt Service Profile

- The County's Existing Tax-Supported Debt Service is shown as of 06/30/2024 (FY 2025).

- The County pays off its debt quickly, with a 10 Year Payout Ratio of 81%.



Total Tax-Supported Debt Service

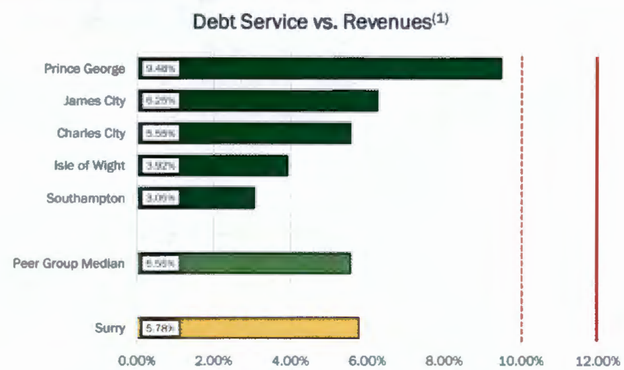
FY	Principal	Interest	Total
Total	**19,465,000**	**3,818,063**	**23,283,063**
2025	1,660,000	612,024	2,272,024
2026	1,730,000	552,167	2,282,167
2027	1,795,000	489,997	2,284,997
2028	1,855,000	425,660	2,280,660
2029	1,535,000	365,201	1,900,201
2030	1,350,000	315,098	1,665,098
2031	1,400,000	268,179	1,668,179
2032	1,445,000	222,582	1,667,582
2033	1,485,000	181,485	1,666,485
2034	1,525,000	141,314	1,666,314
2035	1,570,000	99,265	1,669,265
2036	845,000	65,066	910,066
2037	405,000	44,034	449,034
2038	425,000	26,916	451,916
2039	440,000	9,075	449,075

Debt Service Profile

- Surry is well within established debt policies
- Updating to FY26 values and revenue will lower ratios

Peer Comparative – Debt Service vs. Revenues

County Policy: Annual debt service requirements should target 10% or less and shall not exceed 12% of total operating revenues, including revenues allocated to Surry County for public education.



(1) Revenues are calculated by using General Government Revenues plus School Operating Revenues less Local Contributions.

Source: FY 2023 County Audits.

Peer Comparative –Debt Outstanding vs. Assessed Value

County Policy: Outstanding debt shall not exceed 3% of the assessed valuation of real and personal property.

Source: FY 2023 County Audits.

FY 2026 CIP

Department Requests

Capital Projects- Cash Funded

- $0.03 cents on the tax rate is dedicated to fund ongoing CIP
- Historically, the County has a good track record of utilizing reserves to fund one time CIP needs
- Most recent debt issuance - ($5.3 mi in 2020 for the Radio Communication System)

CASH FUNDED PROJECT HIGHLIGHTS - LAST FIVE FISCAL YEARS
(Not inclusive of all projects)

FYE 2020			
Resurfaced High School Rool	Facilities/Infrastructure	$	1,430,618
School Bus Replacement	School - Transportation	$	159,996
FYE 2021			
Broadband Accessibility	Economic Development	$	1,750,000
Medic Unit Replacement	Public Safety	$	260,000
CAD/Record Management System	Public Safety	$	93,516
Fire Surpression System	Public Safety	$	300,000
FYE 2022			
Midlle and High School HVAC Upgrades	Facilities/Infrastructure	$	684,400
LPJ Fire Surpression System	Public Safety	$	275,000
Well Replacement Middle School	Facilities/Infrastructure	$	150,000
FYE 2023			
Financial Software System Replacement	Government Operations	$	100,000
Solid Waste Site Improvements	Facilities/Infrastructure	$	70,000
FEY 2024			
Police Vehicles	Public Safety	$	220,500
Building Acquisiton	Government Operations	$	262,500
Surry Volunteer Fire Dept Pumper	Public Safety	$	548,763
Solid Waste Truck	Government Operations	$	234,500
Ambulance Replacement	Public Safety	$	398,378
Dendron VFD Apparatus & Mini Pumper	Public Safety	$	414,291
FYE 2025			
Paving-Government Facilities & Library	Facilities/Infrastructure	$	186,320
Security Access Control System	Facilities/Infrastructure	$	560,416
Paving Solid Waste Sites	Facilities/Infrastructure	$	393,300
Compactor Solid Waste Sites	Facilities/Infrastructure	$	40,000
HRSD Sewerline Extension	Facilities/Infrastructure	$	320,000
HVAC repairs/replacements	Facilities/Infrastructure	$	93,593
TOTAL		**$**	**8,946,091**

FY 26 Capital Improvement Requests

General Fund - $7.70 mil

School Fund - $2.58 mil

Total Request = $10.28 million

FY 26 Department CIP Requests

Category	Project	Projected Costs
Court Operations (District)	Filing System Upgrade	$58,175
Court Operations (Circuit)	Fireproof Vault/Facility Improvement	$114,166
Facility Maintenance	Surry VFD Station Renovation	$129,903
Facility Maintenance	Gov't Center Sewer line Repair	$27,736
Human Services (DSS)	Refrigerated Trucks for Home Meal Delivery (2)	$140,000 (1)
Government Operations	Tax Billing Software Upgrade	$419,000
Economic Development	County and Regional Water Master Planning Efforts	$85,000
Facility Maintenance	HEPA-Air Handling System	$78,330

FY 26 CIP Department Requests (Cont)

Category	Project	Projected Costs
Public Safety	Body Cameras (5 years)	$112,944
Public Safety	Vehicle Replacement	$147,235
Public Safety	Fluid Patrol Boat	$81,241
Facility Maintenance	Passenger Van (DYFR)	$64,500
IT Munis ERP	Ongoing Support Costs (5 years)	$270,000
Government Operations	Tax Billing Software Upgrade (2 years)	$419,000
Government Operations	Remaining depts to digitize records	$56,000
Government Operations	IT Technical Upgrades	$45,000

FY 26 CIP Department Requests (Cont)

Category	Project	Projected Costs
Public Safety	Ladder Truck	$3,500,000
Public Safety	Claremont Pumper	$ 750,000
Public Safety	Automatic Chest Compression Devices (2)	$ 42,000
Public Safety	Brush trucks (3) for each fire dept.	$ 750,000
Public Safety	Generator Replacement (Gvt Ctr)	$ 66,000
Public Safety	Fire Rescue Boat	$ 350,000

School CIP

Five-Year Capital Improvement Plan
Capital Projects Summary by Location and Type
Fiscal Years 2025 through 2030

Summary of All Projects by Fiscal Year

	FY2025-26	FY2026-27	FY2027-28	FY2028-29	FY2029-30	Total
Total of All Projects by Year	**$ 2,585,000**	**$ 3,325,000**	**$ 6,260,000**	**$ 3,610,000**	**$ 1,985,000**	**$ 17,765,000**

Summary of All Projects by Location

Location	FY2025-26	FY2026-27	FY2027-28	FY2028-29	FY2029 30	Total
Surry Elementary School	$ 675,000	$ 1,380,000	$ 3,100,000	$ 1,475,000	$ 900,000	$ 7,530,000
Luther Porter Jackson Middle	775,000	705,000	600,000	900,000	200,000	3,180,000
Surry County High School	1,000,000	905,000	2,425,000	900,000	750,000	5,980,000
Transportation, Tech & Maintenance	135,000	335,000	135,000	335,000	135,000	1,075,000
Total Projects by Location	**$ 2,585,000**	**$ 3,325,000**	**$ 6,260,000**	**$ 3,610,000**	**$ 1,985,000**	**$ 17,765,000**

Summary by Project Type and Fiscal Year

Project Type	FY2025-26	FY2026-27	FY2027-28	FY2028-29	FY2029-30	Total
HVAC Replacement	$ 725,000	$ 1,625,000	$ 1,950,000	$ -	$ -	$ 4,300,000
Roof Replacement	-	-	1,250,000	-	-	1,250,000
Electrical System Upgrades	1,450,000	350,000	500,000	400,000	350,000	3,050,000
Plumbing		115,000	1,500,000	400,000		2,015,000
Interior Refurbishments	-	650,000	425,000	1,500,000	500,000	3,075,000
Exterior Refurbishments	-	-	-	675,000	700,000	1,375,000
Security	-	100,000	-	-	-	100,000
Athletics	275,000	150,000	500,000	300,000	300,000	1,525,000
Transportation & Maintenance	135,000	335,000	135,000	335,000	135,000	1,075,000
Total by Project Type & Year	**$ 2,585,000**	**$ 3,325,000**	**$ 6,260,000**	**$ 3,610,000**	**$ 1,985,000**	**$ 17,765,000**

CIP Budget -One Year Approach (FY 27 included for contractual obligations)

ONE YEAR CIP FOCUS

Plan for strategic decisions about capital improvement projects (CIP) for the upcoming year. By focusing largely on a one-year CIP instead of a five-year plan, the county can address immediate priorities while allowing more time for careful planning and analysis. This approach reflects the understanding that future economic development, facility consolidation, public safety requirements and realignment are important considerations that require thorough discussion and analysis.

Given this approach, the county will likely need to prioritize projects that will have the most immediate and significant impact and carefully assess which initiatives align with broader long-term goals. I mentioned "facility consolidation and realignment" which suggests an opportunity to optimize the County's resources, potentially saving costs in the future while still addressing the current needs.

There has been a significant investment in infrastructure over the past two years, but now there's a need for caution in continuing to pour resources into areas that may not provide the best return on investment. The idea of not "throwing good money after bad" highlights the importance of evaluating which projects are truly worth the continued investment and which may need to be reconsidered or even deferred until more comprehensive planning is in place.

With infrastructure improvements, it's critical to prioritize those that will have a lasting impact and avoid sinking funds into repairs or upgrades that don't address the root issues or aren't sustainable long-term. Further analysis also provides the opportunity to assess whether certain infrastructure projects should be replaced or redesigned to better serve future needs.

- Align projects with the county's long-term growth and economic development strategies
- Determine whether projects can be phased in or combined with others to save costs or increase efficiency
- Determine if partnerships or alternative funding options exist (e.g., state or federal grants) that could help offset costs

Funding for Public Safety

FUNDING FOR PUBLIC SAFETY PROJECTS

Balancing volunteer and paid fire services while planning for future economic growth is a strategic challenge, especially with high equipment costs and the need to adapt to evolving demands. Here are a few considerations and potential steps recommended to address emergency response effectively:

- **1. Evaluate Current Volunteer and Paid Services**: Access Strengths and Limitations, Retention and Recruitment:
- **2. Plan for Population Growth and Economic Changes:** Impact of Data Centers, Community Expansion
- **3. Develop Cost Management Strategies:** Shared Resources, Funding Sources
- **4. Implement Risk Assessment and Prioritization:** Equipment Investment
- **5. Establish a Comprehensive Emergency Response Plan-** Integration of Roles, Scalable Solutions
- By addressing these areas, the county can build a robust, cost-effective emergency response system that aligns with its long-term development goals

Surry Fire Station Repairs– $129,903

- The project includes painting both the interior and exterior of the building, removing and remediating old floor tiles and adhesives which contains asbestos material, and installing new tiled flooring following the remediation.

Refrigerated Food Truck– $77,000

- 1. Ensuring Food Safety • Perishable food items like fresh produce, dairy, and meat require consistent refrigeration to prevent spoilage and maintain safety during transportation. • The truck helps ensure that meals reach residents in safe, consumable condition, which is especially critical for vulnerable populations such as seniors and children.
- 2. Serving a Dispersed Population • As a rural community, we have residents spread across a wide area, making centralized food distribution challenging. • A refrigerated truck allows for efficient delivery of meals to isolated households, ensuring no one is left out due to geographical barriers.
- 3. Supporting Health and Nutrition • Reliable meal delivery helps address food insecurity by providing fresh, nutritious meals to individuals who may lack access to grocery stores or cooking facilities. • This initiative supports overall health outcomes, particularly for those with dietary needs or medical conditions.
- 4. Enhancing Program Reach • A mobile unit extends the reach of social service programs, allowing them to deliver aid directly to residents' doorsteps. • This mobility is essential for serving residents who may face transportation challenges or physical limitations.
- 5. Building Community Resilience • Regular meal deliveries foster stronger community connections and support networks, which are critical during emergencies or natural disasters. • The truck also ensures continuity of services even in adverse conditions, strengthening the community's ability to handle crises

Product Overview
Vertical Carousel

The Principle

Paper records, files, stationery, CD/DVD, credit cards, library, and X-ray; light industrial applications, sample vials, artifacts, valuables collectors' items, guns, sports equipment, check books, certificates and licenses... we understand that companies have to contend with an ever-widening range of media. That's why we've developed solutions to suit any of these applications, which will save space, improve security and productivity, comply with the latest legislation, deliver a greener office environment and save you money.

The Megamat Vertical Carousel is designed with shelves or drawers that rotate up or down via the shortest path, automatically delivering stored items to an operator at an ergonomically positioned pick window. Each unit is compatible with an entire suite of software and controls or can be used as a standalone solution.

The Vertical Carousel Unit provides:

Reduced Labor Costs
Increased Retrieval Speeds
Increased Space Utilization
Increased Control
Increased Ergonomics

Filing System Replacement – District Court - $58,175

Courthouse Vault upgrades-$114,166 *historical review pending

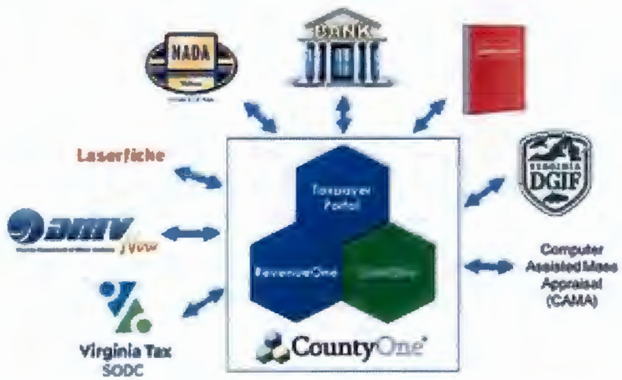
• Replace (3) obsolete 1923 era vault windows, with new 2hr Fire rated solid glass panels. Replace present shelving with custom "roller" book units and archival box shelving along walls. Engineer and replace existing water fire sprinkler system with record friendly fire extinguishing system

Infrastructure Repair - $100,000
Provides for small project improvements and renovations, such as: HVAC, minor roof repairs, select interior refreshes, minor improvements, signage upgrades, property enhancements, and special requests

Avenity – Software Solution for-$219,000
Commissioner of Revenue services
A revenue management system designed and developed specifically for localities in the Commonwealth of Virginia based on Virginia state code (Title 58.1). In addition to handling all of the basic tax processing functions, the software provides many advanced features including automated valuation using common data sources (NADA, Vessel Valuation, etc.); All of these features are tied together with business-savvy workflow and automating wizards to make CountyOne a most sought after and easiest-to-use system in Virginia.

Tyler Munis Support-$90,000

Security Access Control - $125,005
Approved in FY25 (2nd year of contract)



AVENITY
innovative thinking • practical software • adaptive solutions

Sheriff Vehicles (3)- Vehicle Replacement Schedule (Pick up from FY 23-34) - $148,000

Body Worn Cameras – replacement from initial purchase of 2017. The old version are no longer supported and have reach end of life. - $21,059 (3-year implementation)

Water Master Plan — $69,064
The Water Infrastructure Condition Assessment is a proactive evaluation of water mains, utilizing various methods to gather data for informed risk-based decision-making. The Preliminary Engineering Report is a document completed before initiating any new infrastructure to identify the best construction project for addressing a public health, safety, or environmental concern.

Subregion Water & Sewer Master Plan (Sussex, Surry, Southampton, Franklin) - $15,936

Background:
HRPDC is seeking consultant services to assist in developing a Water Supply Plan for the Western Tidewater subregion, which is comprised of the City of Franklin and Counties of Surry Southampton, and Sussex, Virginia (Localities). Within this region, there are dozens of individual water systems. These water systems are predominantly groundwater-supplied, with more than 20 of which are large enough to require groundwater withdrawal permits (GWP). HRPDC is assisting the Localities with development of a Water Supply Plan with consultant support, with HRPDC coordinating.

CIP Budget - One Year Approach

GENERAL GOVT ADMINISTRATION		
Technology Improvements	$	50,000
Records Retention	$	56,000
Tax Management/ERP	$	299,500
Total General Administration	**$**	**405,500**
FACILITY MAINTENANCE		
Refrigerated Truck (DSS)	$	77,000
Major Infrastructure Repair		100,000
Security Access Control System		125,005
Surry Fire Station Upgrades		130,000
District Court Vertical File System	$	59,000
Clerk of Court Fireproof Vault Upgrades	$	115,000
Total Facility Maintenance	**$**	**666,068**
PUBLIC SAFETY		
Sheriff vehicles (3)	$	148,000
Body Worn Cameras	$	21,459
Total Public Safety	**$**	**169,459**
COMMUNITY/ECON DEV IMPROVEMENTS		
Water Master Plan		69,064
Regional Water Master Study		15, 936
Total Community Development		**85,000**
EDUCATION		
Transportation & Maintenance	$	135,000
TOTAL Education	**$**	**135,000**
TOTAL ALL PROJECTS	**$**	**1,400,964**

Funding Sources:		
Local Revenue		
Three Cents on Tax Rate	$	1,152,027
Additional Revenue (Reduced RSF)		248,937
Total Revenue	$	1,400,964
TOTAL REVENUE SOURCES	**$**	**1,400,964**

Future Considerations

Water Systems – Required Infrastructure & Maintenance – Housing Requires Water Infrastructure

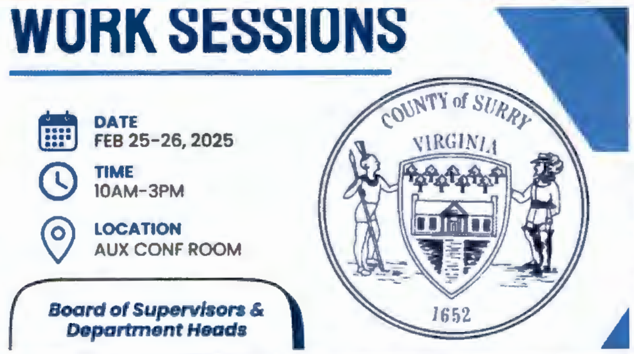
Facility expansions/relocations

- Public safety – Sheriff/EOC
- Human Services – DSS Space Needs
- Government Operations – Treasury/DMV Remodel/Aging Facilities/Centralization
- Schools-Consolidation Discussion/Aging Facilities

Provision of Public Safety Services – Paid/Volunteer

Equipment Needs Associated with Future Projects

COUNTY of SURRY
VIRGINIA
1652



Engaging, Advocating, Learning, Improving & Celebrating

Budget Calendar:

October 2024- Pre-Budget Work session → **December 2024 – Joint Work session with School Board** → **January/February 2025** – Budget Meetings with Finance/Budget Meetings with County Administrator/Finance → **January 15, 2025** – Update on Real Estate Reassessment

→ **Feb 24-25, 2025** – Budget Sessions/ Depts & Board of Supervisors → **April 3rd – Advertisement of Recommended Tax Rates** → **April 10, 2025**– County Administrator Budget Presentation & Public hearing on the proposed tax rates

Adopt PP Tax Rate → **April 11, 2025**

Recommended Budget Posted

April 16 & 23, 2025 – Advertisement on Proposed Budget

→ **May 1, 2025** – Public Hearing on Proposed Budget → **May 8, 2025** – Adoption of the FY 25-26 Budget

COUNTY of SURRY VIRGINIA 1652